



News Release

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IRS GIVES INTEREST AND PENALTY RELIEF TO VICTIMS OF TERRORISM

WASHINGTON – Using a new authority granted by the Victims of Terrorism Tax Relief Act, the Internal Revenue Service has given relief from interest and penalties to various taxpayers affected by the Sept. 11 attacks who earlier received extra time to file returns or pay taxes.

Generally, taxpayers will not owe any interest or penalties for the amount of time that the IRS earlier extended their filing or payment deadline, and the IRS will refund such amounts to affected taxpayers who have already paid them.

In its earlier actions, the IRS extended certain tax deadlines to dates ranging from Nov. 15, 2001, to Sept. 12, 2002, depending on the form or payment involved. However, at that time the law did not provide for the waiver of some interest and penalty charges. Details are in Notices 2001-61 and 2001-68, both available on the IRS Web site at www.irs.gov.

Some taxpayers who are now getting interest and penalty relief may have already paid these charges. The IRS has identified nearly 9,300 such individuals located in New York City and Arlington County, Virginia, and will be sending them refunds and explanatory notices this week. The IRS will send similar refunds and notices to more than 1,300 business taxpayers early next week.

The IRS cannot, however, determine which taxpayers outside these covered disaster areas may also be entitled to this relief. Those located outside New York City and Arlington County who believe they are affected taxpayers covered by this relief should call the IRS at 1-866-562-5227 (toll-free). This special phone number is for disaster-related assistance only. Taxpayers should call 1-800-829-1040 for help with routine tax questions.

Details on this interest and penalty relief are in Notice 2002-40, which will be available soon through the IRS Web site. The site has a number of related guidance documents, including Publication 3920, "Tax Relief for Victims of Terrorist Attacks." This publication may also be obtained by calling (toll-free) 1-800-TAX-FORM (1-800-829-3676).

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